

Minutes of the Finance Committee

Wednesday, December 12, 2012

Chair Haukohl called the meeting to order at 8:30 a.m.

Present: Supervisors Pat Haukohl, Richard Morris, Dan Draeger, Bill Zaborowski, Larry Nelson, and Pamela Meyer. **Absent:** Cathleen Slattery.

Also Present: Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Senior Civil Engineer Kevin Yanny, Parks & Land Use Director Dale Shaver, Community Development Coordinator Kristin Silva, Internal Audit Manager Lori Schubert, Aging & Disabilities Resource Center (ADRC) Manager Cathy Bellovary, Specialized Transportation Coordinator Char Norberg, Senior Buyer Karen Bollinger, Senior Financial Analyst Clara Daniels, Risk/Purchasing Manager Laura Stauffer, Treasurer Pam Reeves, Budget Manager Keith Swartz, Budget Specialist Linda Witkowski, Building Operations Manager Shane Waeghe, Building Operations Supervisor Jim Elsbury, Business Manager Betsy Forrest, Highway Operations Manager Pete Chladil, Business Manager Lyndsay Johnson, Inspector Eric Severson, Deputy Inspector Jim Gumm, Senior Financial Analyst Rob Dunn, Human Resources Manager Jim Richter, Financial Budget Analyst Danielle Igielski, Business Services & Collections Manager Andy Thelke, Senior Financial Budget Analyst Linda Hein, Health & Human Services Deputy Director Antwayne Robertson, Public Health Manager Dr. Healy-Haney, Accounting Services Coordinator Cynthia Lilly, Shared Services Unit Supervisor Kathy Mullooly, and County Clerk Kathy Nickolaus. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 11-20-12 (2 sets) and 11-27-12

MOTION: Zaborowski moved, second by Draeger to approve the joint meeting minutes of November 20. Motion carried 6-0.

MOTION: Draeger moved, second by Morris to approve the minutes of November 20. Motion carried 6-0.

MOTION: Nelson moved, second by Morris to approve the minutes of November 27. Motion carried 6-0.

Schedule Next Meeting Date(s)

- January 16

Chair's Executive Committee Report of 12-10-12

Haukohl said the Executive Committee, at their last meeting, approved Resolution 167-R-008 commemorating the 100th anniversary of UW Extension, Ordinance 167-O-065, also on today's agenda, and three appointments. They also discussed potential workshops for the 2013 Wisconsin Counties Association Conference. Suggestions should be forwarded to the County Board Office.

Contract Procurement Process for Construction Management Services, CTH E, Oconomowoc River

Yanny advised the contract was awarded to R.A. Smith National of Brookfield, WI, the highest rated proposer, for a total contract cost of \$98,874. The amount budgeted was \$100,000. A total of 19 contractors submitted RFPs for consideration.

MOTION: Morris moved, second by Zaborowski to approve the contract procurement process for construction management services, CTH E, Oconomowoc River. Motion carried 6-0.

Contract Procurement Process for HOME Program Administration

Silva advised the contract was awarded to Wisconsin Partnership for Housing Development, the highest rated proposer, for a total of \$138,561. The amount budgeted was \$41,981 and is the amount in the department's budget. The balance of \$96,580 is the estimated amount the contractor will receive from loan fees. One contractor submitted an RFP and is also the current administrator.

MOTION: Nelson moved, second by Zaborowski to approve the contract procurement process for HOME Program Administration. Motion carried 6-0.

Contract Procurement Process for Performance Audit of Parks & Land Use Department – Licensing Division Operations

Schubert advised the contract was awarded to KPMG, LLP, the highest rated proposer, for a total contract cost of (not to exceed) \$75,000. The amount budgeted was also \$75,000. Two contractors submitted RFPs for consideration. Haukohl commented on the very low cost submitted by the other bidder. Schubert said they did not answer the RFP appropriately and were not interviewed.

MOTION: Draeger moved, second by Nelson to approve the contract procurement process for performance audit of Parks & Land Use Department – Licensing Division Operations. Motion carried 6-0.

Contract Procurement Process Rideline Paratransit Services

Bellovary and Norberg were present to discuss this item. Bellovary advised the contract was awarded to Transit Express, the highest rated proposer, for a total contract cost of \$4,020,003 for five years. The first year contract cost is \$757,200 and the amount budgeted was \$800,669. Nineteen RFPs were sent out whereby one contractor responded. Bellovary noted that Transit Express has been the County's provider for the last 15 years and they have done a great job. She said it is not unusual to receive few responses and last year they received two. Specialized transportation is difficult service to provide. Draeger asked what were the results of Transit Express's most recent financials and procedural audit? Bellovary said very good. They have been in business for a long time and have always had positive audit results.

MOTION: Morris moved, second by Zaborowski to approve the contract procurement process Rideline paratransit services. Motion carried 6-0.

Contract Procurement Process for Cafeteria and Vending Services

Bollinger advised the contract was awarded to Canteen Vending, the highest rated vendor, for a total contract cost of \$14,300 (revenues) for three years. The budgeted amount was \$35,000 (revenues). The revenues are placed in the Human Resources budget to cover the expenses of the employee holiday party and summer picnic. The budgeted amount was based on the revenues for 2012. It was noted that 15% of total sales are through vending, totaling approximately \$14,300. One contractor submitted an RFP for consideration after 45 were sent out. Two other contractors had indicated they did not feel they could be competitive with the existing commission rates and one of those two felt their start-up costs would be too high. Bollinger said the reason for the decrease in the projected revenues is because Canteen Vending stated they would provide 0% commissions for the revenues for the cafeteria. The commission rate for vending was at \$20,000 and went down to \$15,000. This is a one-year commitment with a two-year renewal if favorable.

MOTION: Meyer moved, second by Nelson to approve the contract procurement process for cafeteria and vending services. Motion carried 6-0.

Final Report on In-Rem Foreclosures

Reeves distributed copies of her report entitled "2012 Property Tax Foreclosure Statistics." Reeves advised 25 properties were acquired in July via court proceedings, nine were repurchased within 60 days of the court proceedings, seven were sold to municipalities, two are still occupied and cannot be auctioned, two will be razed, one cannot be sold due to an insufficient legal description, and four properties were sold at auction. A total of eight properties remain County-owned with an assessed or appraised value of \$1,268,200.

MOTION: Draeger moved, second by Morris to accept the final report on In-rem foreclosures. Motion carried 6-0.

3rd Quarter Status Report on General Fund Operations

Swartz and Witkowski were present to discuss this report as outlined. For nine months, year-to-date expenditure comparisons are affected by State law (Act 10) requiring 50% employee contributions toward pension funds. This took affect in August of 2011 resulting in lower year-to-date actual personnel costs for most departments in 2012 versus 2011. The impact of Act 10 is also recognized in the adopted 2013 County budget. For nine months, actual operating budget expenditures totaled \$110.4 million or 69% of the total 2012 General Fund modified expenditure budget as compared to \$111.3 million or 71.5% of total 2011 expenditures. Operating revenues (excluding tax levy and fund balance appropriations) through nine months were \$53.9 million or 71% of the modified revenue budget versus \$56.2 million or 72% during this same time period in 2011. Overall, total year-end General Fund projections indicate a favorable result estimated at about \$2.7 million, or about 1.7% of the total General Fund expenditure budget.

MOTION: Draeger moved, second by Zaborowski to accept the 3rd quarter status report on General Fund operations. Motion carried 6-0.

Ordinance 167-O-065: Amend 2012 Capital Budget To Add Chiller Replacement Project

Forrest explained this ordinance as outlined which creates capital project 201213 titled Administration Center Chiller Replacement. A total of \$355,000 in contingency funds will be used to replace the existing damaged chiller. Department staff have determined it is more cost effective to replace the 22-year old equipment rather than rebuild it. A more energy efficient replacement provides annual utility savings estimated at \$40,000. Haukohl asked why not use capital project fund balance? Witkowski said the Capital Project fund is determined when planning the capital project plan; this was unexpected. Haukohl noted that because the cost is over \$100,000 it is considered a capital project.

MOTION: Morris moved, second by Draeger to approve Ordinance 167-O-065. Motion carried 6-0.

Contract Procurement Process for Janitorial Cleaning Services

Waeghe advised the contract was awarded to Clean Power, the highest rated proposer, for a total contract cost of \$2,265,874 for three years. The first year contract cost is \$688,296 and the budgeted amount was \$701,325. Six contractors submitted RFPs for consideration and three did not interview.

MOTION: Morris moved, second by Draeger to approve the contract procurement process for janitorial cleaning services. Motion carried 6-0.

Fund Transfer 2012-DPW-1: Public Works – Transfer Funds from Operating Expenses to Interdepartmental Expenses

Forrest discussed this fund transfer which involves transferring \$14,000 due to higher-than-anticipated generator repairs and cell phone charges due to both an increase in the number of cell phones and changes to smart phone data plans. Funds are available in contracted housekeeping due to favorable contract prices.

MOTION: Draeger moved, second by Nelson to approve Fund Transfer 2012-DPW-1, Public Works Department. Motion carried 6-0.

Fund Transfer 2012-400-2: Public Works – Transfer Funds from Operating Expenses (County Operations) to Interdepartmental Expenses (State Highway Operations and County Operations)

Forrest and Chladil discussed this fund transfer which involves transferring \$160,000 due to higher-than-anticipated gas prices, vehicle repairs, and administrative costs (\$60,000 will be reimbursed by the State). Forrest said funds are available as there is a full inventory of salt and no additional salt will need to be purchased in 2012.

MOTION: Meyer moved, second by Morris to approve Fund Transfer 2012-400-2, Public Works Department. Motion carried 6-0.

Ordinance 167-O-066: Amend Sheriff's Department 2013 Budget Expenditure Of Donated Funds

Johnson, Severson, and Gumm were present to discuss this ordinance as outlined. Severson said the ordinance authorizes an additional expenditure of \$18,000 of donated funds to cover the costs of a replacement canine and handler training and travel costs. This will allow the department to maintain the canine unit at the current level of four dogs which are trained to function in patrol and drug-detection roles.

MOTION: Nelson moved, second by Zaborowski to approve Ordinance 167-O-066. Motion carried 6-0.

Ordinance 167-O-067: Authorize The Waukesha County Sheriff's Department To Contract With The Town Of Lisbon To Provide Police Services

Johnson, Severson, and Gumm were present to discuss this ordinance as outlined. Severson said the ordinance authorizes the department to continue contracting with the Town of Lisbon to provide police services. This five-year contract, beginning in 2013, will provide the same level of patrol coverage. The Town of Lisbon has requested to contribute to the cost of the dedicated supervisor position currently paid for by the Village of Sussex and the Village of Merton. Based on the department's full cost recovery contract methodology, the Town of Lisbon will be expected to pay an estimated \$440,636 in 2013 for patrol coverage and four hours a week of dedicated supervision. The 2013 adopted budget for the department includes the contract revenues and the positions for the continuation of this contract.

MOTION: Nelson moved, second by Zaborowski to approve Ordinance 167-O-067. Motion carried 6-0.

Ordinance 167-O-068: Authorize The Waukesha County Sheriff's Department To Amend The Existing Contracts For Police Services With The Village Of Sussex And The Village Of Merton

Johnson, Severson, and Gumm were present to discuss this ordinance as outlined. Severson said the ordinance modifies the current contract with the Village of Sussex and the Village of Merton to sunset the current lieutenant position mid-year 2013 and assign a captain position to provide supervision under the contract. Contract supervision costs are also adjusted for reduced coverage when the position is taking benefit time off. Contracts for 2013 are adjusted to cover all supervision costs associated with the position changes including increases of \$2,570 for the Village of Sussex and \$380 for the Village of Merton. The ordinance also authorizes the sheriff, in the future, to amend contracts among contracting municipalities for cost share changes but require full cost recovery of dedicated supervision. The 2013 adopted budget for the department includes the contract revenues and the positions for the continuation of this contract with the proposed contract amendments.

MOTION: Morris moved, second by Draeger to approve Ordinance 167-O-068. Motion carried 6-0.

State Legislative Update

Spaeth indicated Wisconsin Counties Association Ambassador Program invitations were recently sent out whereby she encouraged supervisors to attend. The program involves lobbying in Madison on items the County feels are important such as human services, etc. The sessions are scheduled for January 23, April 10 and October 23 with the January and April sessions being the most important as they are budget focused.

Spaeth indicated that two Waukesha County legislators will be on the Joint Finance Committee and former County Board Supervisor Rob Hutton is on the Urban and Local Affairs Committee (land use related). Spaeth said she is putting together a list of County legislators and their committee assignments and will provide copies to the committee.

Spaeth said she was in Madison last week for the Wisconsin Executives and Administrators meeting. One major item was the development of a memorandum of understanding regarding highway maintenance for state roads. This outlines the definition of highway maintenance and what the roles and responsibilities will be for counties and the State. Governor Walker can choose to accept it or not. It includes a \$55 million increase in funding (\$2.2 million for Waukesha County).

The 911 Study Committee will vote on legislation tomorrow which will include creating an advisory board that would award grants for training and capital and equipment costs. They are also suggesting a State-retained charge of 40 cents for all devices able to make phone calls. These revenues would be used as grants for which counties can apply instead of being used as shared revenues which automatically go to counties. Spaeth discussed concerns with this proposal.

Fund Transfer 2012-114000-1: Register of Deeds – Transfer Funds from Personnel Expenses to Interdepartmental Expenses

Dunn discussed this fund transfer which involves transferring \$22,000 to help cover higher-than-estimated microfilming costs. Funds are available due to savings associated with position turnover and related vacancies.

MOTION: Zaborowski moved, second by Draeger to approve Fund Transfer 2012-114000-1, Register of Deeds. Motion carried 6-0.

Ordinance 167-O-071: Approve 2013 Salary Modifications For Non-Represented Employees

Richter discussed this ordinance as outlined which authorizes a 1.3% across-the-board increase for all non-represented County employees, effective December 29, 2012. This includes all employees except elected officials and those represented by the Wisconsin Professional Police Association and Teamsters Union. Employees will be paying an additional 0.75% into their pensions in 2013 and that portion will come out of this proposed salary increase. The 2013 adopted budget includes sufficient funding for these changes, including \$751,000 of tax levy funding. He noted that employee health insurance deductibles, co-insurance amounts, and out-of-pocket maximums have increased for next year as well. Richter referred to the recent total compensation study which revealed that Waukesha County employees are on par or slightly below other public sector employees and below private sector employees. To answer Haukohl's question, Mader clarified the fiscal note.

MOTION: Nelson moved, second by Draeger to approve Ordinance 167-O-071. Motion carried 6-0.

The committee recessed at 11:26 a.m. and reconvened at 12:17 p.m.

3rd Quarter Report on Proprietary Funds

Thelke and Hein were present to discuss this report for the County's enterprise and internal service funds. Those funds that showed a net income by the end of the 3rd quarter were the Naga-Waukee Golf Course (\$414,911); Wanaki Golf Course (\$61,109); Materials Recycling (\$712,181); Vehicle/Equipment Replacement (\$169,650); Central Fleet (\$33,997); Radio Services (\$72,672); Communications (\$118,610); End User Technology (\$267,685); and Health Insurance (\$1,433,670). Those funds that showed a net loss were the Moor Downs Golf Course (-\$76,296); Naga-Waukee Ice Arena (-\$68,834); Eble Park Ice Arena (-\$23,767); Airport (-\$29,495); Records Management (-\$20,421); Risk Management/Workers Compensation (-\$526,859); and Collections (-\$186,848).

MOTION: Zaborowski moved, second by Draeger to accept the 3rd quarter report on Proprietary Funds. Motion carried 6-0.

Ordinance 167-O-069: Appropriate Additional State Funding For The Kinship Care Program

Lilley and Mullooly were present to discuss this ordinance which involves accepting an additional \$68,000 of State Kinship Care Funds, based on a higher-than-budgeted allocation, for a total of \$593,000 for 2012. The Kinship Care Program is designed to support a child who resides outside his or her home, either temporarily or for the long-term with a relative (usually a grandparent) rather than being placed in a foster home or other out-of-home placement. The additional funds will provide monthly payments to relatives in the program. Lilley noted the funds are distributed as monthly payments to these individuals to help pay for the needs of the children. These are pass-

through funds and for every dollar spent, the County is reimbursed. The additional funding was provided because Waukesha County has a long wait list and with the funds, the wait list will drop to under ten.

MOTION: Nelson moved, second by Meyer to approve Ordinance 167-O-069. Motion carried 6-0.

Ordinance 167-O-070: Modify The 2012 Health And Human Services Budget To Include Pass-Through Vendor Payments And Related Revenue Reimbursements For Children's Long-Term Support

Lilley and Daniels discussed this ordinance which involves accepting \$170,000 of pass-through revenue reimbursements and related payments to vendors for Children's Long-Term Support. Lilley said this is a very complex program and very beneficial. The State's 2011-13 biennial budget transferred major responsibility for claims administration from county agencies to the Wisconsin Physician Services Insurance Corporation (WPS) which serves as a contracted third party administrator (TPA). This resulted in a \$3.5 million reduction for county vendor payments and related reimbursements from the 2011 County budget. Staff later learned that certain non-medical goods, services, and equipment vendors do not have the capacity to direct bill WPS for non-medical payment processing. The county acting as a pass-through agent will allow these vendors to be reimbursed in a timely manner.

MOTION: Zaborowski moved, second by Nelson to approve Ordinance 167-O-070. Motion carried 6-0.

Fund Transfer 2012-368701/8301-01: Health & Human Services – Transfer Funds from Operating Expenses (Aging & Disabilities Resource Center) to Interdepartmental Expenses (Mental Health Center and Human Services)

Schuler discussed this fund transfer which involves transferring \$60,000 to help cover higher-than-anticipated Collections services charges. Funds are available in the Aging & Disabilities Resource Center budget mostly due to the elimination of the State budget provision which capped Family Care enrollment and eliminated the need for \$300,000 of contracted services in the Adult Protective Services Program.

MOTION: Meyer moved, second by Draeger to approve Fund Transfer 2012-368701/8301-01, Health & Human Services Department. Motion carried 6-0.

Fund Transfer 2012-368610-02: Health & Human Services – Transfer Funds from Operating Expenses (Aging & Disabilities Resource Center) to Interdepartmental Expenses (Human Services)

Lilley discussed this fund transfer which involves transferring \$10,000 to pay for Sheriff transports to State's mental health institutes mainly due to higher institute placement levels. Funds are available in the ADRC budget mostly due to the elimination of the State budget provision which capped Family Care enrollment eliminating the need for \$300,000 of additional contracted services. Also, additional contracted service appropriations for potential adult protective client needs did not materialize as anticipated which resulted in under budget spending estimated by around \$200,000.

MOTION: Nelson moved, second by Draeger to approve Fund Transfer 2012-368610-02: Health & Human Services. Motion carried 6-0.

Fund Transfer 2012-368701/10/30-03: Health & Human Services – Transfer Funds from Operating Expenses (Aging & Disabilities Resource Center) to Personnel Expenses (Mental Health Center)

Lilley discussed this fund transfer which involves transferring \$70,000 to cover higher than anticipated temporary extra help and related benefit costs at the Mental Health Center. This is largely due to staffing needs during position turnover, medical leaves, and the need to perform additional mental health assessments. Funds are available in the ADRC budget mostly due to the elimination of the State budget provision which capped Family Care enrollment eliminating the need for \$300,000 of additional contracted services. Also, additional contracted service appropriations for potential adult protective client needs did not materialize as anticipated which resulted in under budget spending estimated by around \$200,000.

MOTION: Draeger moved, second by Meyer to approve Fund Transfer 2012-368701/10/30-03, Health & Human Services Department. Motion carried 6-0.

Fund Transfer 2012-363140-04: Health & Human Services – Transfer Funds from Operating Expenses (Aging & Disabilities Resource Center) to Personnel Expenses (Public Health)

Lilley and Healy-Haney discussed this fund transfer which involves transferring \$60,000 to help cover above estimated temporary extra help and related benefit costs, mainly due to additional staffing needs during the recent pertussis outbreak. Funds are available in the ADRC budget mostly due to the elimination of the State budget provision which capped Family Care enrollment eliminating the need for \$300,000 of additional contracted services. Also, additional contracted service appropriations for potential adult protective client needs did not materialize as anticipated which resulted in under budget spending estimated by around \$200,000.

MOTION: Draeger moved, second by Nelson to approve Fund Transfer 2012-363140-04, Health & Human Services Department. Motion carried 6-0.

Fund Transfer 2012-042000-02: County Clerk – Transfer Funds from Personnel Expenses to Operating Expenses and Interdepartmental Expenses

Nickolaus and Duckwitz were present to discuss this item which involves transferring \$19,000 to cover additional ballots needed for the special election to fill the vacant 33rd State Senate District seat. Of that, \$1,000 will be used to cover additional postage costs related to the recall and special election materials mailings during 2012.

MOTION: Nelson moved, second by Meyer to approve Fund Transfer 2012-042000-02, County Clerk. Motion carried 6-0.

MOTION: Draeger moved, second by Nelson to adjourn at 1:24 p.m. Motion carried 6-0.

Respectfully submitted,

William J. Zaborowski
Secretary